



State of Arizona
Department of Education

Tom Horne
Superintendent of
Public Instruction

FD # 06-11

MEMORANDUM

TO: National School Lunch Administrators
Commodity Contacts

FROM: Tina Herzog, Program Director
Food Distribution Program

Original Signed

SUBJECT: Welcome Packet – School Year 2011

It is important that you carefully read the entire memo. This is NEW information for SY11.

Below is a list of items attached to this memo or the web addresses where they can be found:

- **SY 11 Calendar for Group A & B commodities** – These are only **estimated** arrival dates, which are updated monthly and located on our website at <http://www.ade.az.gov/health-safety/cnp/fdp/calendar.asp>.
- **Food Distribution Training Schedule**
- **Storage Self Evaluation Form** – This must be completed at the beginning of each school year and **kept in your files**. This document will be reviewed by your Specialist on your NSLP review. Located on our website at <http://www.ade.az.gov/health-safety/cnp/fdp/FD-Docs-Examples/2-StorageSelfEvaluationForm.pdf>.
- **Temperature Chart** – to be posted for all storage areas. Located on our website at <http://www.ade.az.gov/health-safety/cnp/fdp/FD-Docs-Examples/7-FoodStorageTemperatureChart.pdf>.
- **Commodity Fact Sheets (with Commodity Codes)** – The fact sheets are available on USDA's website: (<http://www.fns.usda.gov/fdd/schfacts/>).
- **Commodity Values** – Please visit the Food Distribution Commodity Prices web page at (<http://www.ade.az.gov/health-safety/cnp/fdp/CommodityPrices.asp>) to get this year's commodity price list.
- **Warehouse Order Placement Schedule (U.S. Foodservice)**
- **Delivery Information Application** – You may now update your delivery and contact information on CNP2000, under contract any time you have a change. E-mail FDP@azed.gov if you do not have CNP2000 access or are unable to update your information.
- **Contact List for ADE and U.S. Foodservice**
- **Food Distribution Program Website Information**

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Commodity Training and Ordering on the Internet

The Food Distribution Program is operating 100% on-line. **You will need to have access to the Internet to be able to order/refuse commodities or view entitlement.**

In order for schools to view allocated commodities, place refusals and commodity orders, all schools need to have a registered user to access to the CNP2000 Commodity Ordering System. **If no one at your school is currently registered or you have not attended training, you need to register for training immediately.** You must take the Commodity Ordering Web-based Training to learn how to use the Food Distribution CNP2000 Internet program. You will find a list of training dates and locations. By going to <http://www.ade.az.gov/online/registration/> and choosing Health & Nutrition Services: Food Distribution. You can also register from this page by selecting the class, date and location you would like (click on Choose and continue). For your convenience, "Internet" training classes have been set-up in Phoenix, Tucson and Flagstaff. There is no charge for this training but it is REQUIRED. **Space is limited and classes fill up fast.**

Allocations will be posted on-line for those who have attended training and have a user ID and password. If you are a new Food Service Director and are using a previous director's ID and password, **STOP!** Everyone on-line must have his or her own password. We will be turning off all passwords of Director's that have left their current position. **Remember employees of Food Service Management Companies (FSMC) cannot have a login. You must be an employee of the school in order to get a login and access the CNP2000 system. You will be required to show proof of your employment at the time of training.**

ADE will post the allocations on Tuesdays and Thursdays depending on new shipment arrivals at US Foodservice. *It is suggested that you develop an internal office policy to check for new allocations at least once a week.* You will **not** receive an alert or other notification when a new allocation has been posted to the Internet, so it is important that you check for new allocations on CNP2000 weekly.

A sponsor, that has Internet capabilities and is logged into the system, will be able to view all allocations on-line. Commodity orders are entered online and go directly to the distributor, therefore expediting your order and reducing your paperwork. **Since U.S. Foodservice requires a 72-hour prior notice for all orders, they have provided an "Order Placement Schedule" for your convenience** (included in this packet).

Commodity Distributor/Delivery Prices/Administrative Fee

The Arizona Department of Education (ADE) has renewed the contract with U.S. Foodservice (Contract # ED09-0030) to continue distribution of the USDA commodities for School Year 2010-2011. Please note the new delivery fees listed below, which will be effective beginning October 1, 2010.

<i>Prep Site</i>	\$2.98 per case (10 case minimum – ADP of 250 or less) (20 case minimum – ADP of 251 or more)
<i>Warehouse</i>	\$2.38 per case (100 case minimum, exchangeable pallets & Forklift required)
<i>Pick Up</i>	\$1.99 per case (100 case minimum, exchangeable pallets & refrigerated truck required)

The above delivery fees include the delivery charges negotiated between ADE and U.S. Foodservice, but do not contain an Administrative Fee, due to some available funds for SY11, we are able to eliminate this fee for SY11. The excess storage and private storage fees will remain \$1.10 per case for this year.

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Excess Storage Charges

ADE will invoice all schools for Excess Storage charges of \$1.10 per case on cases allocated that are not refused by the refusal date or ordered out by the close date. **This fee will be applied to ALL allocations**, including NOA's for A & B commodities, Group B products not ordered out in the month identified on your Planned Usage Request Form, Surplus requests, and Special requests. You will not only be charged the fee but the items will also be removed from your allocation. Invoices are due net 30 days. **If we still have not received payment after 60 days, you will be subject to a late charge and your reimbursement claims will be held until payment has been received.** To avoid any confusion, be sure to identify the invoice number you are paying on the check/warrant.

Delivery Window

The delivery window for all commodity deliveries by U.S. Foodservice is 6:00 a.m. to 2:30 p.m. Phoenix time. If a delivery is refused during these hours, you will be subject to a re-stocking fee of \$1.25 per case. Many sponsors have been requesting specific delivery times for their school. However, there are approximately 340 sponsors receiving commodities at over 4000 delivery sites. It is not possible for U.S. Foodservice to accommodate delivery time requests.

If you have a problem with a specific delivery day, please call Pam Bowers or Rose Garcia at U.S. Foodservice. If you continue to experience delivery problems, i.e. drivers delivering outside the required time, you need to contact a member of the Food Distribution team immediately. Unless we hear from you with delivery problems, we assume that everything is going smoothly.

School Closures

If your school will be closed for an early release day or holiday and you have placed an order for delivery that day, it is **your responsibility** to have someone **readily available** at the school to accept the delivery. You must notify U.S. Foodservice of any school closures that will affect your delivery. Pam Bowers is your contact. You will receive an invoice from U.S. Foodservice for a restocking fee of \$1.25 per case if no one is available to receive an order placed by your district. **Best Advice:** Be aware of your school calendar and order accordingly.

Inventory Management – Single Inventory, Losses and Transfers

In order to make the single inventory system possible, USDA has granted State Distributing Agencies, Department of Education, two voluntary waivers for all schools **not using a Food Service Management Company**: 1) 7 CFR Part 250.14(e) that requires State Distribution Agencies to take an annual physical inventory of USDA commodity foods during the annual sponsor reviews; and 2) 7 CFR Part 250.16(a) (2) that requires sponsors to maintain an accurate and complete inventory of USDA commodity foods. **This waiver does not apply to Food Service Management Companies.**

The Arizona Department of Education has implemented the single inventory record keeping system for eligible schools, but stresses that good inventory management and control practices must be maintained where purchased and commodity foods are inventoried together. Due to implementation of this single inventory system sponsors **not** using a management company **WILL NOT** be required to submit an annual commodity inventory report to ADE at the end of the school year. **Schools using Food Service Management Companies are required to submit the inventory form at the end of each school year, usually by the middle of July.** Even though sponsors that are **not** using a Food Service Management Company will no longer be required to keep a separate inventory of USDA commodity foods, they must

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treat and safeguard commodities just as they do purchased foods. Schools will still be audited and must show how inventory movement occurred. Therefore, keep documentation of all losses or transfers on file.

Those same sponsors are not required to report loss, damaged or out-of condition commodities to ADE unless the value of the loss exceeds \$2,500. Sponsors will treat the loss in the same manner as you treat purchased food losses, though all losses of USDA commodities should be replaced with like product and documentation should be kept on file at the school. If you have a loss of commodities that exceeds \$2,500, please contact Danielle Daugherty to make a claim.

Finally, arrangements for transfers of brown box commodities to other schools will be done at the local level and is not required to go through ADE. Sponsors may use commodity foods across programs (NSLP, SBP and SFSP) as long as all income accrues to the nonprofit food service account. Sponsors are responsible for ensuring that all food resources are used properly. Misuse of food service commodities is subject to criminal prosecution under Section 12(g) of the National School Lunch Act.

Transferring Commodities

If you have any commodities that you are trying to transfer, or if you are looking for a specific commodity and need assistance, you can contact any Food Distribution staff person. Commodities can be transferred between sponsors operating on the NSLP or SFSP with the completion of the proper transfer form, which is located on the ADE Food Distribution web page at <http://www.ade.az.gov/health-safety/cnp/fdp/FD-Docs-Examples/>. Transfer forms must be kept on hand by the sponsor in case of an audit. Please contact a member of the Food Distribution team if you have any questions.

Commercial Labels

USDA will continue to purchase commodities using commercial labels. This is optional for vendors so you may receive both commercial labels as well as USDA labels.

Processing Commodities

In conjunction with the SNAAZ (School Nutrition Association of Arizona) Fall Conference being held in September, ADE will be conducting a pre-conference workshop, which will focus on how to better utilize commodities and some best practices for processing. Attendance at this workshop is highly encouraged for any sponsors that are interested in beginning to process commodities or those that may want a refresher. As details are finalized between SNAAZ and ADE, sponsors will be notified.

Surplus Commodities

Surplus is available to any school district the entire year. The surplus list is a great way to supplement your current allocations. You can request items from the surplus list to meet your minimum case count, instead of waiting for the next allocation and potentially letting items go past their close date. The list is updated continually as people refuse commodities. You may request a surplus list **once** a week.

The surplus list is available daily from 8 am until 2 pm. You can log on to CNP2000 and click on the Allocations-Surplus option on the left hand side. After 2 pm, Danielle will allocate items from the surplus list by fair share, which means you may not receive all the items or quantities you requested. Surplus allocations only have **one week** from the allocation date until the close date, so you will need to place the items on an order as soon as possible after getting the allocation. **It is your responsibility to put the surplus allocation on an order form.** If the allocation goes past the close date, you will lose the commodities and be charged a storage fee as well.

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If there is anything the Food Distribution staff can do to assist you during the school year, please do not hesitate to call any one of us. We are here to assist you in any way we can to help ensure a successful Food Distribution Program.

Reminders:

- If you have questions regarding CNP2000, please remember that the user manual you were provided at training is your best guide. If you have misplaced your manual, please refer to the Documents section of CNP2000 to download a copy.
- You are going to notice a new Allocation ID this year in your allocations. **NOAMXXX-FRESH.** These are for **fresh produce**. Please note you will **only** have **14 calendar days to refuse and order these items**. After the 14 calendar days, you will be subject to Excess Storage Fees.
- U.S. Foodservice staff **will not be combining orders** so you can meet your minimum case amount. If you need additional cases to meet your minimum, you must add to an existing order. Please review the CNP2000 User Manual for more information or contact a member of the FD Team if you need assistance. You may also contact a member of the FD Team if you are unable to modify an existing order. **If you have two orders that are less than your minimum case requirement, you will be charged for the extra cases for both orders.**
- Surplus REMINDER: When you request surplus, we will allocate them to you. You then have 7 days to place them on an order. Please remember these important rules:
 - The surplus list is only available from 8 a.m. – 2 p.m. each day.
 - They are **NOT** automatically placed on an order for you.
 - The allocation close date is **only 7 days**.
 - You **cannot refuse** surplus items.

Refusal to follow these instructions will result in the charge of excess storage fees and the loss of the requested surplus items.

- **NOTE:** Surplus will be available for those schools with entitlement for the first half of the year and for those schools with no entitlement after January 2011. This is to allow those schools with the funds available to be able to utilize their entitlement fully.

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U.S. FOODSERVICE ORDER PLACEMENT SCHEDULE

USDA Commodity Deliveries

The “Submit Order By” day is the last day an order may be submitted to U.S. Foodservice for delivery to occur on the next scheduled delivery day.

Orders may be submitted at any time before the “Submit Order By” day.

<u>Submit Order By</u>	For Delivery On
Tuesday	Monday
Wednesday	Tuesday
Thursday	Wednesday
Friday	Thursday
Monday	Friday

Internet orders are continually processed from the ADE website by U.S. Foodservice personnel. Product add-ons may be added to an order that is in open status.

To avoid minimum case charge, please review your order for the amount of cases. Minimum case charges are **PER** order. Please keep this in mind when placing orders. If you do not know your minimum case requirements, contact ADE or Pam Bowers (602) 352-3439 or Rose Garcia (602) 352-3441 or call U.S Foodservice at (800) 451-6638 and ask for Pam or Rose.

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**Arizona Department of Education Food Distribution Program
Contact Information Sheet**

Physical Address: 2005 North Central Avenue - 3rd Floor
Phoenix Arizona 85004

Mailing Address: 1535 West Jefferson St. Bin 7
Phoenix Arizona 85007

Phone Number - Receptionist: (602) 542-8700
Fax Number: (602) 542-6978 (FD direct) or (602) 542-1531

Jessica Creed-Capsel, Food Distribution Program Director
Phone Number: (602) 542-8781
E-Mail: Jessica.creed-capsel@azed.gov

Leona Benally, Processing Specialist
Phone Number: (602) 364-1965
E-Mail: leona.benally@azed.gov

Dawn Irvine, Processing Specialist
Phone Number: (602) 364-0714
E-Mail: dawn.irvine@azed.gov

Linda Souza-Thompson, Program/Project Specialist
Phone Number: (602) 542-8721
E-Mail: linda.souza-thompson@azed.gov

Danielle Daugherty, Administrative Assistant
Phone Number: (602) 542-8729
E-Mail: danielle.daugherty@azed.gov

**US Foodservice
State Contracted Warehouse & Product Delivery Service**

Physical Address: 4650 West Buckeye Road
Phoenix Arizona 85043

Phone Number - Mail Line: (602) 269-7241
Phone Number - Toll Free: (800) 451-6638

Pam Bowers, USDA Commodity Coordinator
Phoenix Number: (602) 352-3439
E-Mail: Pamela.Bowers@USFOOD.com

Rose Garcia, USDA Commodity Coordinator
Phone Number: (602) 352-3441
E-Mail: Rose.Garcia@USFOOD.com

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